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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

TELEPHONE: (202) 224-5175 FAX: (202) 224-5619

October 24, 2018

The Honorable Jerry Moran
Chairman
Subcommittee on Commerce, Justice,
Science, and Related Agencies
U.S. Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Jeanne Shaheen
Vice Chair
Subcommittee on Commerce, Justice,
Science, and Related Agencies
U.S. Senate Committee on Appropriations
Washington, D.C. 20510

Dear Chairman Moran and Vice Chair Shaheen:

As Ranking Member of the Small Business and Entrepreneurship Committee, I write to express my strong support for \$40 million in funding for the Minority Business Development Agency (MBDA) and respectfully request that language be included in the conference report that would ensure full funding of the MBDA's Business Center network.

As you know, the MBDA is the sole federal agency dedicated exclusively to promoting equal economic opportunities for minority-owned firms. The nationwide network of MBDA Business Centers – approximately 40 strong in 2017 – is a pillar of the Agency's work and provides minority business owners with the tools they need to grow and scale their businesses. The Business Centers are particularly attuned to the unique challenges minority business owners face and have proven to be highly effective in helping them overcome these obstacles.

In FY17 alone, MBDA's Business Center network helped minority-owned businesses access \$2.9 billion in contracts and \$4.9 billion in financing, creating and retaining over 18,500 jobs. Moreover, the Business Centers well exceeded all three of their performance targets for FY17.

Despite its success, the Trump Administration has proposed to drastically reduce funding for MBDA. In FY18, the Administration proposed to eliminate the Agency in its entirety. In FY19, the Administration proposed a budget of only \$10 million, shifting its priorities from serving individual minority business enterprises to solely providing policy and research. As you may know, the Administration does not plan to renew the contracts for the MBDA Business Centers, which are slated to close on March 31, 2019.

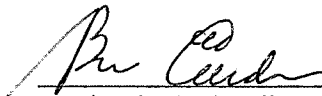
As you deliberate funding for the FY19 Commerce, Justice, Science, and Related Agencies Appropriations bill, I respectfully request that you provide \$40 million in funding for MBDA. It is also imperative that the following language be included in the conference report or statement of managers to prevent the closure of these vital MBDA Business Centers:

Not less than 50 percent of funds provided to MBDA shall be awarded to cooperative agreements funding the Minority Business Development Agency Business Center program, and through external awards, and grants.

While significant progress has been made in supporting the minority business community since the creation of the MBDA nearly 50 years ago, we still have a long way to go. Minority-owned businesses continue to face numerous barriers to accessing capital, obtaining contracts, and entering new markets. The MBDA Business Centers have shown remarkable success in helping minority-owned businesses of all sizes – small, medium, and large – overcome these barriers. Congress must continue to invest in these Business Centers, which are a catalyst for minority business development.

Thank you for your consideration of this request.

Sincerely,



Benjamin L. Cardin
Ranking Member

CC: Senator Richard Shelby, Chairman of the Senate Appropriations Committee
Senator Patrick Leahy, Ranking Member of the Senate Appropriations Committee